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USMISSION USNATO FOR AMB NULAND FROM AMBASSADOR MILOVANOVIC  
STATE FOR EUR/RPM PDAS VOLKER AND EUR/SCE  
DEFENSE FOR ISP-NATO POLICY

E.O. 12958: N/A

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SUBJECT: MACEDONIA: SCENESETTER FOR VISIT OF US NATO  
DELEGATION

REF: STATE 32850

#### ATMOSPHERICS: THE POLITICAL CAMPAIGN THICKET

¶1. (SBU) Your visit comes as the government and opposition are gearing up for this summer's parliamentary election, the actual date of which has yet to be determined. Amid the clamor of mutual recrimination and mudslinging of the "pre-campaign," which already is underway, your visit is an excellent opportunity to remind all parties of the importance of free and fair elections to Macedonia's NATO membership prospects. It also is a good opportunity to press the government and opposition to stay focused on ensuring that work continues on key NATO-related reforms, despite the inevitable distractions of the political campaign and regardless of which parties emerge to lead the next government after the elections.

#### A SECURE AND STABLE COUNTRY IN NATO

¶2. (SBU) PM Buckovski understands that NATO members want stable, secure contributing members in the Alliance. To that end, he may emphasize the transition the government has made from its early focus on security and stability, to a stronger focus on the economy. Macedonia has made good progress on defense reforms, contributes to alliance operations in Afghanistan and Iraq, and has helped lower inter-ethnic tensions through implementation of many of the reforms required by the 2001 Framework Agreement. Buckovski recently tapped Macedonia's Ambassador to the U.S. as the newly-created National Coordinator for NATO Integration, reporting to the Prime Minister, to begin when his tenure in Washington ends this month. Despite good progress on meeting MAP-related requirements, the government must address a number of key MAP-related reform areas.

#### ELECTIONS -- KEY TEST OF MACEDONIA'S DEMOCRATIC INSTITUTIONS

¶3. (SBU) PM Buckovski will tell you that the government is fully committed to "zero tolerance for electoral fraud" and may note that the State Electoral Commission, which administers the overall election process, is now fully funded and operational. In addition, the GOM has worked since last year with OSCE experts to draft an electoral code that addresses electoral system concerns raised by the

International Community following serious irregularities in previous elections. The electoral code is in the parliamentary review process, and the parliament is expected to pass it by mid-March.

**¶4.** (SBU) Although OSCE found the government draft electoral code acceptable, the main opposition party, VMRO-DPMNE, objects to the government's proposal to staff with civil servants the local election boards that administer the elections. The party argues that the politicized nature of the civil service guarantees a heightened potential for fraud. The government is working on a compromise solution that would allow party representatives to serve on the boards in addition to the civil servants.

**¶5. (U)** President Crvenkovski kicked off on March 2 an initiative to intensify outreach to the media, civil society, religious communities, and political parties to highlight the need for free and fair elections. I participated in a two-hour session during which the President, the OSCE and EUSR representatives, and I gave the media our views about their role in the elections. We underscored our hope that they would work to create a positive, constructive atmosphere for political debate as campaigning gets underway, and would highlight the critical importance of a free and fair process for the country's NATO and EU membership prospects.

#### INDEPENDENT AND EFFICIENT JUDICIARY

**¶6. (SBU)** The parliament in December 2005 passed a package of 11 constitutional amendments strengthening the independence and efficiency of the judiciary, which currently is one of the least-trusted of all Macedonian government institutions. The amendments curtail the role of parliament in selecting judges, who will now be selected and dismissed by an independent State Judicial Council. The parliament is expected to pass bylaws to implement the amendments by June 2006, although the process could be delayed if the parties involved cannot agree on the language for the bylaws.

#### CORRUPTION CONUNDRUM

**¶7. (SBU/NF)** Macedonia was ranked 104 of 159 countries in the 2005 Transparency International annual corruption perception index (CPI) report. It dropped several places compared to 2004, although its overall score remained the same, at 2.7 out of a possible 10 (10 being least corrupt). Combating corruption is one of the government's toughest challenges. Very few high-profile corruption cases have been successfully prosecuted, with even fewer cases involving a significant sentence as a sanction. PM Buckovski might mention during your meeting that he is ready to create a National Coordinator for Combating Organized Crime and Corruption, an idea I urged him to consider several weeks ago, given the general lack of cooperation and coordination between police, prosecutors, and judges on corruption cases.

**¶8. (SBU/NF)** The government recognizes it must do more on the corruption front to meet NATO and EU standards. According to government data, in 2005 a total of only 37 persons were convicted on corruption-related charges, 24 for abuse of their official positions. According to some government sources, the lack of an effective wiretapping law thwarts more effective prosecution of corruption cases. In fact, there is a lack of political will -- in the government and the judiciary -- to tackle this problem effectively.

#### POLICE ACCOUNTABILITY, TRAFFICKING IN PERSONS

**¶9. (SBU/NF)** General rule of law weaknesses hamper Macedonia's ability to combat corruption, organized crime, and trafficking in persons (TIP). The Ministry of Interior's Professional Standards Unit (PSU) has investigated a number of allegations of police abuse, and has sanctioned such abuse when it occurred. However, the PSU's record is inconsistent, and systems to ensure transparency in the MOI are inadequate. Similarly, Macedonia's fall from

Tier 1 to Tier 2 in the State Department's annual Trafficking in Persons report for 2005 reflected lack of political commitment to combat aggressively lucrative organized crime activities, as reflected in the GOM's continuing lack of a National Action Plan for combating TIP. We have pressed the government to adopt an anti-TIP National Action Plan by the time you arrive; government contacts tell us it is possible that will happen by then.

#### ECONOMY -- AIMING FOR SUSTAINABLE GROWTH

¶10. (U) The government's most significant economic achievement has been maintaining macroeconomic stability and fiscal discipline. The economy has grown at a consistent rate of 2 to 4 percent from 2002 to 2005. The government budget deficit is low (-0.6% in 2005), inflation minimal (0.5% in 2005), the currency is stable, and the level of debt-to-GDP (40%) is manageable. Despite some marked progress, however, both domestic and foreign business investment is low, and GDP growth rate is not strong enough to lower unemployment or the poverty rate significantly. Macedonia ranks 57th in the Heritage Foundation's 2005 Index of Economic Freedom, closely behind A-3 partners Albania (52nd) and Croatia (55th).

¶11. (U) The government has made significant economic reform progress in a number of areas, including recent implementation of a "one-stop shop" window that has reduced the time required for registering a new business. However, more needs to be done to create an economic climate that will attract increased investment and bring official unemployment figures down from over 30 percent. Essential remaining steps include enforcing property and contract rights, and completing privatization of the state-owned electricity

monopoly to bolster investor confidence in the country.

#### RELIGIOUS FREEDOM -- INTRA-CHURCH CLASH

¶12. (SBU) The dispute between the Serbian Orthodox Church (SOC) and the Macedonian Orthodox Church (MOC) over which should enjoy primacy among orthodox Christian believers in Macedonia remains a challenge for the government. A government commission is working on a draft law that would make it possible for the SOC to register officially as a religious group in Macedonia.

¶13. (SBU) The imprisonment last year of Jovan Vraniskovski, a former MOC priest now recognized by the SOC as Bishop Jovan, "for inciting religious hatred" was criticized by the international community and many human rights NGOs. In a decision announced this week, the Supreme Court reduced Vraniskovski's sentence; we understand he might be released as early as March 8. Even if released, however, Jovan is likely to return to prison unless an appeals court reverses his September 2005 conviction for embezzlement.

#### NEED FOR CRISIS MANAGEMENT CAPACITY

¶14. (SBU) To get the MOD out of direct involvement in managing crisis management operations, the government created the civilian-run Crisis Management Center (CMC) in 2005. The CMC received an independent budget in January 2006, but squabbles between the ethnic Albanian CMC Director and the government over equitable representation in staffing the center have prevented it from becoming fully operational. In a region plagued by frequent floods and occasional earthquakes, the country's lack of effective crisis management capacity is unacceptable.

#### CONSOLIDATING RULE OF LAW

¶15. (SBU) Ethnically mixed police patrols have access to all communities in the country, including former "police no-go zones." The police often get political buy-in for police operations before undertaking them in ethnic Albanian villages, especially when the operations involve small-scale or petty crime, or criminal figures with no known political

ties. This pragmatic approach normally minimizes the need to launch potentially violent operations that could spark inter-ethnic violence.

#### STRONG PUBLIC SUPPORT

¶16. Public support for NATO is strong at 90 percent. There is across-the-board support for NATO membership among the ethnicities and the parties -- government and opposition. Most of the major parties include a plank on NATO membership in their platforms. The biggest challenge for the government will be managing public expectations regarding the Riga Summit. PM Buckovski recently was in Tirana for a meeting of A-3 Prime Ministers, who reportedly agreed to push for a Riga statement that would commit to enlargement in 2008. One report from Tirana quoted Buckovski as saying "our motto will be: NATO membership no later than 2008." Our refrain should be: "focus on the work, not the dates."

#### TRAINING FOR NATO

¶17. The two largest NATO contributors of military assistance to Macedonia are the United States and Turkey. Other NATO countries give less assistance, mainly military education programs. The USG provides military education training for officer and NCO professional development (IMET), English-language training, and bi-lateral training and personnel exchange programs with the Vermont National Guard. FMF funds the equipment and training necessary to support the 11 units Macedonia has declared for NATO operations.

¶18. Turkey provides well over a million dollars a year in military equipment and training, focused mainly on equipping Macedonia's logistical units and maintenance centers (with vehicles and specialty equipment). Turkey also runs commando training courses for the Special Force Unit. The Netherlands

provides assistance in developing the Ministry of Defense's IT systems, and has sold the ARM surplus military vehicles and equipment at discounted prices. The United Kingdom works closely with the MOD on English language training (which complements ours) and on personnel management. Norway has been the principal consultant to the MOD on options for reforming the Military Hospital, while Germany and France offer officers and NCOs opportunities for attending combat arms courses and senior service schools.

MILOVANOVIC